

# CLALLAM COUNTY HOSPITAL DISTRICT NO. 1

## Charity Care Policy Effective Date: June 22, 2004

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### POLICY

EPIDEMIOLOGY, HEALTH STATISTICS,  
& PUBLIC HEALTH LABORATORIES

CLALLAM COUNTY HOSPITAL DISTRICT NO. 1 (the District) is committed to the provision of health care services to all persons in need of medical attention regardless of ability to pay. In order to protect the integrity of operations and fulfill this commitment, the following criteria for the provision of charity care, consistent with the requirements of the Washington Administrative Code, Chapter 246-453, are established. These criteria will assist staff in making consistent objective decisions regarding eligibility for charity care while ensuring the maintenance of a sound financial base.

### COMMUNICATIONS TO THE PUBLIC

The District's Charity Care Policy (the Policy) shall be made publicly available through the following elements:

- 1) The NOTICE OF AVAILABILITY OF CHARITY (the Notice) advising patients that the District provides charity care shall be posted in key public areas of the District, including Admissions, the Emergency Department, Billing and Financial Counseling, all Clinics and West End Outreach.
- 2) The District will distribute the Notice of the Policy to patients at the time that the District requests information pertaining to third party coverage. The Policy shall also be verbally explained at this time. If for some reason, for example in an emergency situation, the patient is not notified of the existence of charity care before receiving treatment; he/she shall be notified in writing as soon as possible thereafter.
- 3) Both the Policy and the verbal explanation shall be available in any language spoken by more than ten percent of the population in the District's service area, and interpreted for other non-English speaking or limited-English speaking patients and for other patients who cannot understand the writing and/or explanation. The District finds that the following non-English translation(s) of this document shall be made available: SPANISH

- 4) The District shall train staff to answer charity care questions effectively or direct such inquiries to the appropriate department in a timely manner.
- 5) The District's Notice or Policy shall be made available to any person who requests the information, either by mail, by telephone, or in person. The District's sliding fee schedule, if applicable, shall also be made available upon request.

### **ELIGIBILITY CRITERIA**

Charity care is generally secondary to all other financial resources available to the patient, including: group or individual medical plans; Workers' Compensation; Medicare; Medicaid or medical assistance programs; other state, federal, or military programs; third party liability situations (e.g. auto accidents or personal injuries); or any other situation in which another person or entity may have a legal responsibility to pay for the costs of medical services.

In those situations where appropriate primary payment sources are not available, patients shall be considered for charity care under the Policy based on the following criteria:

- The full amount of hospital charges will be determined to be charity care for a patient whose gross family income is at or below 100 percent of the current federal poverty level (consistent with WAC 246-435).
- A sliding fee schedule shall be used to determine the amount that shall be written off for patients with incomes between 101 and 200 percent of the current federal poverty level.

### **SEE ATTACHED SLIDING FEE SCHEDULE**

**Catastrophic Charity.** The District may write off as charity care amounts for patients with family income in excess of 200 percent of the federal poverty level when circumstances indicate severe financial hardship or personal loss.

The responsible party's financial obligation which remains after the application of any sliding fee schedule shall be payable as negotiated between the District and the responsible party. The responsible party's account shall not be turned over to a collection agency unless payments are missed or there is some period of inactivity on the account, and there is no satisfactory contact with the patient.

The District shall not require a disclosure of resources from charity care applicants whose income is less than 100 percent of the current Federal Poverty Level but may require a disclosure of resources from charity care applicants whose income is at or above 101 percent of the current Federal Poverty Level.

### **PROCESS FOR ELIGIBILITY DETERMINATION**

#### **A. Initial Determination**

- 1) The District shall use an application process for determining eligibility for charity care. Requests to provide charity care will be accepted from sources such as: physicians; community or religious groups; social services; financial services; personnel; and the patient provided that any further use or disclosure of the information contained in the request shall be subject to the Health Insurance Portability and Accountability Act Privacy Regulations and the District's Privacy Policies. All requests shall identify the party that is financially responsible for the patient ("responsible party").
- 2) The initial determination of eligibility for charity care shall be completed at the time of admission or as soon as possible following initiation of services to the patient.
- 3) Pending final eligibility determination, the District will not initiate collection efforts or request deposits, provided that the responsible party is cooperative with the District's efforts to reach a final determination of sponsorship status.
- 4) If the District becomes aware of factors which might qualify the patient for charity care under this policy, it shall advise the patient of this potential and make an initial determination that such account is to be treated as charity care.

#### **B. Final Determination**

- 1) Prima Facie Write Offs. In the event that the responsible party's identification as an indigent person is obvious to District personnel, and the District can establish that the applicant's income is clearly within the range of eligibility, the District will grant charity care based solely on this initial determination. In these cases, the District is not required to complete full verification or documentation. (In accordance with WAC 246-453-030 (3)).

- 2) Charity care forms, instructions, and written applications shall be furnished to the responsible party when charity care is requested, when need is indicated, or when financial screening indicates potential need. All applications, whether initiated by the patient or the District, should be accompanied by documentation to verify information indicated on the application form. Any one of the following documents shall be considered sufficient evidence upon which to base the final determination of charity care eligibility:
    - A "W-2" withholding statement
    - Pay stubs from all employment during the relevant time period
    - An income tax return from the most recently filed calendar year
    - Forms approving or denying eligibility for Medicaid and/or state-funded medical assistance
    - Forms approving or denying unemployment compensation
    - Written statements from employers or DSHS employees
  - 3) During the initial request period, the patient and the District may pursue other sources of funding, including Medical Assistance and Medicare. The responsible party will be required to provide written verification of ineligibility for all other sources of funding. The District may not require that a patient applying for a determination of indigent status seek bank or other loan source funding.
  - 4) Usually, the relevant time period for which documentation will be requested will be three months prior to the date of application. However, if such documentation does not accurately reflect the applicant's current financial situation, documentation will only be requested for the period of time after the patient's financial situation changed.
  - 5) In the event that the responsible party is not able to provide any of the documentation described above, the District shall rely upon written and signed statements from the responsible party for making a final determination of eligibility for classification as an indigent person. (WAC 246-453-030 (4)).
- C. The District will allow a patient to apply for charity care at any point from pre-admission to final payment of the bill, recognizing that a patient's ability to pay over an extended period may be substantially altered due to illness or financial hardship, resulting in a need for charity services. If the change in financial status is temporary, the District may choose to suspend payments temporarily rather than initiate charity care.

D. Time frame for final determination and appeals

- 1) Each charity care applicant who has been initially determined eligible for charity care shall be provided with at least 14 calendar days, or such time as may reasonably be necessary, to secure and present documentation in support of his or her care application prior to receiving a final determination of sponsorship status.
- 2) The District shall notify the applicant of its final determination within 14 days of receipt of all application and documentation material.
- 3) The responsible party may appeal the determination of eligibility for charity care by providing additional verification of income or family size within 30 days of receipt of notification.
- 4) The timing of reaching a final determination of charity care status shall have no bearing on the identification of charity care deductions from revenue as distinct from bad debts, in accordance with WAC 246-453-020(10).

E. If the patient or responsible party has paid some or all of the bill for medical services, and is later found to have been eligible for charity care at the time services were provided, he/she shall be reimbursed for any amounts in excess of what is determined to be owed. The patient will be reimbursed within 30 days of receiving the charity care designation.

F. Adequate notice of denial

- 1) When an application for charity care is denied, the responsible party shall receive a written notice of denial, which includes:
  - The reason or reasons for the denial
  - The date of the decision
  - Instructions for appeal or reconsideration
- 2) When the applicant does not provide requested information and there is not enough information available for the District to determine eligibility, the denial notice also includes:
  - A description of the information that was requested and not provided, including the date the information was requested

- A statement that eligibility for charity care cannot be established based on information available to the District
  - That eligibility will be determined if, within thirty days from the date of the denial notice, the applicant provides all specified information previously requested but not provided.
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- 3) The COO/CFO and/or Administrator will review all appeals. If this review affirms the previous denial of charity care, written notification will be sent to the responsible party and the Department of Health in accordance with state law.
- G. If a patient has been found eligible for charity care and continues receiving services for an extended period of time without completing a new charity care application, the District shall re-evaluate the patient's eligibility for charity care at least annually to confirm that the patient remains eligible. The District may require the responsible party to submit a new charity care application and documentation.

#### **DOCUMENTATION AND RECORDS**

- A. Confidentiality. All information relating to the application will be kept confidential. Copies of documents that support the application will be kept with the application form.
- B. Documents pertaining to charity care shall be retained for five years.

# **CLALLAM COUNTY HOSPITAL DISTRICT NO. 1**

## **NOTICE OF AVAILABILITY OF CHARITY**

Dear Patient/Responsible Party:

CLALLAM COUNTY HOSPITAL DISTRICT NO. 1 (District) is committed to the provision of health care services to all persons in need of medical attention, regardless of ability to pay. Medically indigent patients – those with no or inadequate means of paying for needed care – will be granted charity care in accordance with the District's Charity Care Policy.

Charity care is generally secondary to all other financial resources available to the patient, including: group or individual medical plans; Medicare; Medicaid or medical assistance programs; Workers' Compensation; other state, federal, or military programs; third party liability situations (e.g. auto accidents or personal injuries); or any other situation in which another person or entity may have a legal responsibility to pay for the costs of medical services.

Charity care may cover necessary or emergency medical treatment received from the District, whether the service is provided on an inpatient or an outpatient basis. It may not cover transportation costs, elective procedures, or professional services provided by medical staff providers who are not employed or contracted with the District.

If your income is below 200 percent of the federal poverty level and you have exhausted any other health care coverage available to you, then you should qualify for free or discounted medical services.

If you feel you are in need of charity for the services you are about to receive or for services that you have recently received, please advise the person registering you, or contact the District Financial Counseling Office.

*CLALLAM COUNTY HOSPITAL DISTRICT NO. 1*

# CLALLAM COUNTY HOSPITAL DISTRICT NO. 1

## APPLICATION FOR CHARITY CARE

### Instructions:

1. Complete this application by filling in the blanks.
2. Supply documents that show the income amounts you have listed. Usually, you will need to provide documents for a three-month period of time. The following documents are acceptable:
  - Pay stubs from all employment
  - A "W-2" withholding statement
  - Your last year's income tax return
  - Letters approving or denying Medicaid, medical assistance, other benefits
  - Letters approving or denying unemployment compensation
  - Written statements from employers or welfare agents
3. Sign your name and date the completed application.
4. Mail the application, together with all documentation, to the attention of:

Financial Counseling  
Forks Community Hospital  
530 Bogachiel Way  
Forks, WA 98331
5. If you have questions or need assistance in completing this application, please contact Financial Counseling at 374-6271 ext. 153.

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Patient's Name: \_\_\_\_\_

\_\_\_\_\_  
If patient is a minor or a dependent, indicate name of parent or other responsible party.

Mailing Address: \_\_\_\_\_

\_\_\_\_\_  
Number of Persons in Family: \_\_\_\_\_

Medical Insurance? ☐ Yes ☐ No

Insurance Company? \_\_\_\_\_

Policy Number: \_\_\_\_\_

Other Coverage? ☐ Yes ☐ No

Identify Type(s): ☐ Medicare ☐ Medicaid ☐ Other \_\_\_\_\_

Is the need for medical treatment the result of a  
car accident or other third party injury? ☐ Yes ☐ No

Is the need for medical treatment the result of an  
on-the-job injury? ☐ Yes ☐ No

Current Family Monthly Income \$\_\_\_\_\_

Total family income for the past three months \$\_\_\_\_\_

Has your family experienced any seasonal or temporary  
increases or decreases in income, or do you expect your  
income to change in the next three months? ☐ Yes ☐ No

If yes, please describe.

\_\_\_\_\_  
\_\_\_\_\_

Have you recently suffered severe financial hardship or personal loss (e.g. other medical expenses, death of a loved one, loss of job or wages, loss of home, auto, other property)? ☐ Yes ☐ No

If yes, please explain.

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Does the documentation that you are providing with this application accurately reflect your current financial situation? ☐ Yes ☐ No

If no, why not?

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If you are seeking charity care for services already provided by the District, please list dates of service and what services you received:

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I understand that the information I submit is subject to verification by the District and subject to review by state and/or federal enforcement agencies and others as required. I certify that the above information is true and accurate to the best of my knowledge.

Applicant's Signature \_\_\_\_\_ Date \_\_\_\_\_

**Clallam County Hospital District No. 1**  
**Eligibility Determination**  
**(For Office Use Only)**

Patient Account Number: \_\_\_\_\_

Date Application Received: \_\_\_\_\_ Income Verified? ☐ Yes ☐ No

Current Federal Poverty Guidelines for family of \_\_\_\_\_ is \$ \_\_\_\_\_ per month.

The patient's gross family income is at or below 200 percent of the current federal poverty level: ☐ Yes ☐ No

If no, does patient qualify for catastrophic charity? ☐ Yes ☐ No

☐ Application approved. Amount provided as charity care: \$ \_\_\_\_\_

☐ The applicant's request for charity care has been denied for the following reason(s):

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Beginning balance of patient's account (\$ \_\_\_\_\_) less medical coverage/amount payable by third party sources (\$ \_\_\_\_\_) less charity (\$ \_\_\_\_\_) = Patient responsibility (\$ \_\_\_\_\_).

Date of determination: \_\_\_\_\_

Date applicant notified: \_\_\_\_\_

Prepared by: \_\_\_\_\_ Date: \_\_\_\_\_

Reviewed by: \_\_\_\_\_ Date: \_\_\_\_\_

Clallam County Hospital District No. 1  
Sliding Fee Schedule  
Charity Care Eligible Patients  
2004 Federal Poverty Guidelines

Discount % of bill patient pays	family size	100% 0%		85% 15%		70% 30%		55% 45%		40% 60%		25% 75%		10% 90%	
		gross	monthly income												
	1	less than	776	777	905	906	1,034	1,035	1,164	1,165	1,293	1,294	1,422	1,423	1,552
	2	less than	1,041	1,042	1,128	1,129	1,301	1,302	1,475	1,476	1,648	1,649	1,822	1,823	2,082
	3	less than	1,306	1,307	1,435	1,436	1,652	1,653	1,870	1,871	2,088	2,089	2,305	2,306	2,612
	4	less than	1,571	1,572	1,700	1,701	1,962	1,963	2,223	2,224	2,485	2,486	2,747	2,748	3,142
	5	less than	1,836	1,837	1,965	1,966	2,271	2,272	2,577	2,578	2,883	2,884	3,189	3,190	3,672
	6	less than	2,101	2,102	2,230	2,231	2,580	2,581	2,930	2,931	3,280	3,281	3,630	3,631	4,202
	7	less than	2,366	2,367	2,495	2,496	2,889	2,890	3,283	3,284	3,678	3,679	4,072	4,073	4,732
	8	less than	2,631	2,632	2,760	2,761	3,198	3,199	3,637	3,638	4,075	4,076	4,514	4,515	5,262
	9	less than	2,896	2,897	3,025	3,026	3,507	3,508	3,990	3,991	4,473	4,474	4,955	4,956	5,792
	10	less than	3,161	3,162	3,290	3,291	3,817	3,818	4,343	4,344	4,870	4,871	5,397	5,398	6,322